Exhibit No. 32
Date 6-19-01 Case No. GT-2001-329
Reporter KF

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's Tariff to Revise Natural Gas Rate Schedules.	)))	Case No. GR-2001-629

AFFIDAVIT

STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)

Patricia A. Krieger, of lawful age, being first duly sworn, deposes and states:

1. My name is Patricia A. Krieger. My business address is 720 Olive Street, St. Louis, Missouri 63101; and I am Manager of Accounting for Laclede Gas Company.

2. Attached hereto and made part hereof for all purposes is my direct testimony, consisting of pages 1 to 28, inclusive; Section A – Schedules 1 to 7; and Section C - Schedules 3 to 9 and Schedule 18.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded and the information contained in the attached schedules are true and correct to the best of my knowledge and belief.

Patricia A. Krieger
Patricia A. Krieger

Subscribed and sworn to before me this 16th day of May, 2001.

Susan M. Kopp

SUSAN M. KOPP
Notary Public — Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Dec. 19, 2003

Exhibit No.:	
Issue:	Rate Base, Accounting Schedules
Witness:	Patricia A. Krieger
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Laclede Gas Company
Case No.:	GR-2001-629

LACLEDE GAS COMPANY

GR-2001-629

DIRECT TESTIMONY

OF

PATRICIA A. KRIEGER

Direct Testimony of Patricia A. Krieger

Table of Contents

resulting from timing differences in recognizing revenues and expenses related to these particular townships, thereby eliminating any impact on revenue requirement as a result of obligations imposed on the Company to collect and remit gross receipts taxes on behalf of these municipalities.

<u>Uncollectible Accounts Expense</u>

Q. Please describe your adjustment to uncollectible accounts expense.

A. I am sponsoring Adjustment 3.a. to Customer Accounts Expense, relating to Uncollectible Accounts Expense in the test period.

Q. Why is this adjustment necessary?

A. This adjustment reflects a normalized level of expense. Calculation of this amount is determined by multiplying the "percentage loss factor" times applicable normalized Company revenues. These calculations are shown on Schedule 9 to Section C.

Q. How was the percentage loss factor derived?

A. Uncollectible account write-offs for the five years ending February 28, 2001 were divided by net revenues for the five years ending on July 31, 2000. "Net revenues" are customer revenues less Transportation, Large Volume and Interruptible rate revenues, and less gross receipts tax expensed. This calculation results in the percentage loss factor shown on Schedule 9.

Q. Why are different time periods used for purposes of determining the uncollectible account and revenue amounts used in the calculation?

A. There is generally a seven-month lag between the revenue period when the customer is rendered service and the period when the customer's account will be written off. Uncollectible accounts written off for the year ending February are, therefore, compared with revenues for the year ending the prior July because such a seven-month lag period allows us to better compare write-offs with the revenue period that actually generated the write-off amount.

Q. Does this pro forma level of Uncollectible Accounts Expense include the effect resulting from higher revenues associated with this rate request?

A. Yes. The Company is entitled to recognition of the increased bad debt expense from higher revenues associated with this rate request.

Q. Are you aware of any other factors that could significantly affect Laclede's uncollectible accounts expense in the future?

A. In general, the economy in the service area, the collection policies of the Company, the Commission's rules regarding service disconnection, and the level of energy assistance (heat grant) payments have the largest potential effect on our bad debts. A major cut in grants, or a shortfall between the level of energy assistance available and the amount required by customers, would have a significant adverse impact on Laclede's uncollectible accounts.

Q. Are there factors that might affect the level of uncollectible accounts expense in light of recent developments?

A. Yes. The Company's most immediate concern regarding uncollectible accounts expense is the impact that the recent dramatic rise in utility bills will have on the customers' ability to pay, and the subsequent effect on the percentage loss factor. Due to both the unprecedented increase in wholesale gas cost levels in recent months and colder than normal weather experienced during this past heating season (following several mild heating seasons), utility bills have reached their highest levels since the 1980s. While it is difficult at this time to estimate the impact of the recent significant increase in utility bills on future uncollectible accounts expense, such factors as percentage loss experience and the market price of natural gas should be re-evaluated upon update to provide for an appropriate level of uncollectible accounts expense during the period for which new rates will apply.

Depreciation and Amortization

Q. Are you sponsoring any adjustments to depreciation and amortization expense?

A. Yes. Adjustment 7, detailed on Schedule 18 of Section C, shows calculations that increase depreciation and amortization expense to the levels expected as of July 31, 2001. This amount is based on proposed depreciation rates listed on Schedule 1 of Section D., in the testimony of Company witness R. Lawrence Sherwin. Applicable utility plant in service estimated at July 31, 2001 was multiplied by these effective rates. The resulting annualized amount was compared to actual test year expense to derive the adjustment.

Appliance Service Work

Q. Are you sponsoring any other income statement adjustments?

A. Yes. Adjustment 6.j., eliminates the net revenues related to the Company's appliance service work, pursuant to Section 386.756 (RSMo. Supp. 1998). Consistent with the statute, my adjustment effectively excludes all of the revenues received by the Company and costs incurred by the Company as a result of the Company's involvement in HVAC service work during the test year. Costs incurred include labor, materials, advertising, administrative and general expenses, and transportation costs (including related depreciation expense).

Q. Does this conclude your testimony?

A. Yes.

LACLEDE GAS COMPANY
Customer Accounts Expense

Uncollectible Accounts Provision (Thousands of Dollars)

	Revenue at Base Rates	PGA Revenue	General Rate Increase Revenue		
Twelve months ended February 28, 2001 net revenues*					$694,493
Normalization and annualization adjustments					
Weather	($7,202)	($34,253)			
General Rate Load Changes	6	7			
Customers Annualized	1,001	1,997			
Total	($6,195)	($32,249)	$39,782		1,338
Twelve months ended February, 2001 normalized and annualized net revenues**					$695,831
Percentage Loss Factor				x	1.329%
Normalized uncollectible accounts					$9,248
Twelve months ended February, 2001 actual uncollectible accounts provision					6,702
Adjustment					$2,546

* Excludes Large Volume sales

** Net revenues equal customer revenues less Large Volume sales service revenues, Interruptible sales service revenues, Transportation and sales service revenues, provisions for refunds, and gross receipts taxes, adjusted to average PGA levels.